



THE STATE  
of **ALASKA**  
GOVERNOR MICHAEL J. DUNLEAVY

**Department of Environmental  
Conservation**

**DIVISION OF AIR QUALITY  
Air Compliance Program**

610 University Avenue  
Fairbanks, Alaska 99709  
Main: 907-451-5173  
Toll Free: 866-241-2905  
Fax: 907-451-2187  
[www.dec.alaska.gov](http://www.dec.alaska.gov)

**CERTIFIED MAIL: 7018 3090 0001 0864 8588**  
**Return Receipt Requested**

September 25, 2019

David Wilkins, Senior Vice President  
Hilcorp Alaska, LLC  
Milne Point Production Facility  
3800 Centerpoint Dr. Suite 1400  
Anchorage, AK 99503

Subject: Air Quality Full Compliance Evaluation for Hilcorp Alaska, LLC, Milne Point  
Production Facility, Permit No. AQ0200TVP02 Rev. 4, Tracking Number 19-R0527-37-  
0001, AT Case No. 4995, File No. 300.16.018

Dear Mr. Wilkins:

This letter presents you with the Department's Air Quality Full Compliance Evaluation (FCE) Report for Hilcorp Alaska, LLC, Milne Point Production Facility, Permit No. AQ0200TVP02 Rev. 4. The evaluation covered the period from July 1, 2017 through August 30, 2019. It was based on a comprehensive review of files and records, and was conducted with an on-site visit. Based on the scope of this evaluation, the stationary source was determined to be out of compliance with Conditions 87, 88, and 90 of Permit No. AQ0200TVP02 Rev. 4 and NSPS Subpart OOOOa §60.5397(h)(1).

**Non-Compliance with Condition 87:** Test Notification. Except as provided in Condition 84, at least 10 days before conducting a source test, the Permittee shall give the Department written notice of the date and the time the source test will begin.

**Finding(s):** The Department did not receive a 10-day notification for the June 21 – July 5, 2018 source testing of EU IDs 4, 5, and 7.

**Action(s):** Hilcorp submitted a Permit Deviation report for the missing 10-day notification on July 12, 2018. No further actions are required if compliance is maintained.

**Non-Compliance with Condition 88:** Test Reports. Except as provided in Condition 84, within 60 days after completing a source test, the Permittee shall submit two copies of the results in the format set out in the Source Test Report Outline, adopted by reference in 18 AAC 50.030. The Permittee shall additionally certify the results in the manner set out in Condition 91. If requested in writing by

*Clean Air*

the Department, the Permittee must provide preliminary results in a shorter period of time specified by the Department.

**Finding(s):** The source test report submitted on June 3, 2019 was submitted past the 60 days after test completion. Hilcorp submitted a Permit Deviation report on June 3, 2019.

**Action(s):** Hilcorp submitted a Permit Deviation report on June 3, 2019. No further actions are required if compliance is maintained.

**Non-Compliance with Condition 90:** Recordkeeping Requirements. The Permittee shall keep all records required by this permit for at least five years after the date of collection, including:

- 90.1. Copies of all reports and certifications submitted pursuant to this section of the permit; and
- 90.2. Records of all monitoring required by this permit, and information about the monitoring including:
  - a. the date, place, and time of sampling or measurements;
  - b. the date(s) analyses were performed;
  - c. the company or entity that performed the analyses;
  - d. the analytical techniques or methods used;
  - e. the results of such analyses; and,
  - f. the operating conditions as existing at the time of sampling or measurement.

**Finding(s):** In response to the Departments second request of records, sent on August 1, 2019, Hilcorp provided copies of oil analysis that was previously not submitted in response to the first request of records sent on July 15, 2019.

The second response indicated that the oil analysis for work order NS339826 was lost and Hilcorp was unable to provide the Department with a copy of the record. Hilcorp is required by Condition 90 to retain all copies of monitoring analyses for 5 years. Hilcorp submitted a Permit Deviation report on August 15, 2019 for the missing record.

**Action(s):** No further actions are required if compliance is maintained.

**Non-compliance with §60.5397(h)(1):** Each identified source of fugitive emissions shall be repaired or replaced as soon as practicable, but no later than 30 calendar days after detection of the fugitive emissions.

**Finding(s):** Hilcorp is required by NSPS Subpart OOOOa §60.5397(h)(1) to repair or replace each identified source of fugitive emissions as soon as practicable, but no later than 30 calendar days after detection of the fugitive emissions. NSPS Subpart OOOOa §60.5397(h)(2) allows Hilcorp to place the leak on delay of repair for up to two years if the repair or replacement is technically infeasible, would require a vent blowdown, a compressor station shutdown, a well shutdown or well shut-in, or would be unsafe to repair during operation of the unit. Hilcorp's 2018 Annual NSPS Subpart OOOOa included the Facility Record No. 7, Milne Point Unit B Pad, survey conducted October 18, 2018 that reported the fugitive emission component was successfully repaired on November 19, 2019, 32 days after the leak was detected. The record stated that the component was not placed on delay of repair.

**Action(s):** In the August 16, 2019 response to the EPA Information Request, Hilcorp acknowledged the Annual Report indicated the repair occurred 32 days after identification and that Hilcorp has

reinforced the requirement to complete repairs within the 30 day timeframe with the field personnel. No further action is required if compliance is maintained.

Regarding the 12-month rolling totals required by Conditions 47.1, 50.2, 61.1(c), and 61.2(b), the Department re-calculated the 12-month rolling totals. Based on the information submitted with the 4Q17 through 1Q19 FORs, the Department noted differences with Hilcorp's reported values. *See Sections VII(B) and VII(D) of the FCE Report for more information.* The Department stresses the importance of reporting accurate information.

Enclosed you will find the FCE Report. If you have any questions, please contact me at (907) 451-3189 or via email at [breanna.howard@alaska.gov](mailto:breanna.howard@alaska.gov).

Sincerely,



Breanna Howard  
Environmental Program Specialist

cc: Julieanna Potter, Hilcorp (via email)  
Drew Anderson, Hilcorp (via email)  
John Pavitt, EPA/AOO, Anchorage  
Jason Olds, ADEC/ACP, Juneau  
P. Moses Coss, ADEC/ACP, Fairbanks  
Tom Turner, ADEC/ACP, Anchorage